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Agenda item 134
Proposed programme budget for the biennium 2016-2017

Review of the experience of the utilization of the contingency fund

Eighth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2016-2017

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the review of the experience of the utilization of the contingency fund (A/70/395). During its consideration of the report, the Committee met representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 22 October 2015.

2. In its resolution 41/213, the General Assembly created the contingency fund, stipulating in annex I to the resolution that, in off-budget years, the Secretary-General must submit an outline of the programme budget for the following biennium, which must contain an indication of, inter alia, the size of the fund expressed as a percentage of the overall level of resources. No set percentage was specified (ibid., para. 4). The criteria for the use of the fund, the period covered and its operation are set out in the annex to resolution 42/211 (ibid., para. 5). The report of the Secretary-General is submitted pursuant to section XII of resolution 69/262, by which the Assembly requested the Secretary-General to review the recent experience of the utilization of the fund in all its relevant aspects and to report thereon at the seventieth session.

3. As indicated by the Secretary-General in section III of his report, the General Assembly set the size of the fund for the biennium 1990-1991 at 0.75 per cent of the preliminary estimate for the biennium ($15 million). The percentage applied has since remained unchanged, while the actual nominal level has varied with the size of the approved outline amount, rising to $41.7 million for the biennium 2016-2017 (ibid., fig. I). The Secretary-General also indicates that additional appropriations were approved outside the fund for the bienniums 2006-2007 ($52.6 million), 2012-2013 ($8.6 million) and 2014-2015 ($5.1 million) (ibid., table 1). In that connection, the Advisory Committee was provided, upon enquiry, with current information on

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the charges against the fund approved for the biennium 2014-2015 and notes that the total charges amount to $40.196 million, with an available balance of $248,900[1] (see annex).

4. The four categories of reports approved by the General Assembly containing charges against the fund are set out in table 2 of the report of the Secretary-General and are as follows: programme budget implications; revised estimates for the Human Rights Council; revised estimates for the Economic and Social Council; and other revised estimates and supplementary programme budget requirements.

5. The Advisory Committee was informed, upon enquiry, that the operation of the fund had not changed since its establishment and that, as stipulated in the annex to resolution 42/211, additional expenditure was covered as it related to the biennium, based on the decisions taken in the year preceding the biennium and during the biennium. The Committee was provided with information on those charges against the fund approved in the year preceding the budget period, which is reflected in the table.

Charges against the contingency fund approved in the year preceding the budget period

(Millions of United States dollars)

Biennium	*Percentage of preliminary estimate*	*Size*	*Charges approved*	*Percentage of charges approved*	*Fund report*
2008-2009	0.75	31.5	19.3	61.3	A/C.5/62/22
2010-2011	0.75	36.5	5.2	14.2	A/C.5/64/14
2012-2013	0.75	40.5	26.7	66.0	A/C.5/66/13
2014-2015	0.75	40.4	18.1	44.8	A/C.5/68/20

6. Upon enquiry, the Advisory Committee was informed that, in preparing the proposed programme budget for a given biennium, the Secretary-General endeavoured to include all requirements envisaged for that biennium and did not exclude amounts that would later represent a charge against the fund. The Committee was also informed that that was in line with a prior recommendation by the Committee, in which it had expressed its view that it was the responsibility of the Secretary-General, as chief administrative officer of the Organization, to ensure that his proposed programme budget presented the fullest possible picture of the Organization's requirements for the coming biennium.

7. The Advisory Committee notes from the table that the percentage of charges against the fund approved in the year preceding the budget period has fluctuated considerably in recent bienniums, showing an uneven trend that may, in the view of the Committee, indicate that resource needs have not always been presented comprehensively in the budgets proposed by the Secretary-General.

8. **The Advisory Committee reiterates its previous recommendation that, while recognizing that additional resource requirements must be considered and that it is not always possible to fit new initiatives within the biennial cycle of the regular budget, it is the responsibility of the Secretary-General, as chief administrative officer of the Organization, to ensure that the proposed**

[1] See also resolution 69/262, sect. XIII.

programme budget presents the fullest possible picture of the Organization's requirement for any given biennium. The Committee continues to stress that, at all times, every effort should be made to incorporate additional requirements into the initial budget proposals (see also A/68/7/Add.22, para. 6).

9. The Advisory Committee was informed, upon enquiry, that, in addition to the fund, several other funding mechanisms provided the Secretary-General with flexibility in the use of resources: authorization to enter into commitments to meet unforeseen and extraordinary expenses; transfers between programme budget appropriations; authorization to enter into commitments for future financial periods; establishment of extrabudgetary posts funded at the level of D-1 and above; and limited budgetary discretion of up to $20 million per biennium on an experimental basis. Further details in this respect are included in the Committee's report on the limited budgetary discretion mechanism (see A/70/7/Add.5, annex).

10. **The Advisory Committee also recalls its view that the contingency fund is an essential budgetary instrument for addressing additional resource requirements and emphasizes the need to adhere to the provisions of General Assembly resolutions 41/213 and 42/211 on its use. The Committee continues to stress that, in the event of constraints being faced, the Secretary-General should bring these matters to the attention of the Assembly in a timely manner (see also A/68/7/Add.22, para. 7).**

11. **The Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General, taking into consideration the foregoing comments.**

Annex

Details of charges against the contingency fund approved for the biennium 2014-2015

(Thousands of United States dollars)

Potential charges	*Approved charges*	*General Assembly resolution*	*Title of resolution*
Programme budget implications: strengthening and enhancing the effective functioning of the human rights treaty body system	194.3	68/268	Strengthening and enhancing the effective functioning of the human rights treaty body system
Programme budget implications: third International Conference on Financing for Development	1 504.7	68/279	Modalities for the third International Conference on Financing for Development
Programme budget implications: programme of activities for the implementation of the International Decade for People of African Descent	1 080.6	69/16	Programme of activities for the implementation of the International Decade for People of African Descent
Revised estimates resulting from the requests contained in General Assembly resolution 69/2, entitled "Outcome document of the high-level plenary meeting of the General Assembly known as the World Conference on Indigenous Peoples"	101.8	69/2	Outcome document of the high-level plenary meeting of the General Assembly known as the World Conference on Indigenous Peoples
Programme budget implications: modalities for the implementation of resolution 68/304, entitled "Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes"	251.9	69/247	Modalities for the implementation of resolution 68/304, entitled "Towards the establishment of a multilateral legal framework for sovereign debt restructuring processes"
Revised estimates resulting from resolutions and decisions adopted by the Human Rights Council at its twenty-fifth, twenty-sixth and twenty-seventh sessions, and its twenty-first and twenty-second special sessions	11 705.8	65/281	Review of the Human Rights Council
Programme budget implications: oceans and the law of the sea	161.8	69/245	Oceans and the law of the sea
Programme budget implications: investigation into the conditions and circumstances resulting in the tragic death of Dag Hammarskjöld and of the members of the party accompanying him	50.9	69/246	Investigation into the conditions and circumstances resulting in the tragic death of Dag Hammarskjöld and of the members of the party accompanying him
Programme budget implications: United Nations summit for the adoption of the post-2015 development agenda	1 314.9	69/244	Organization of the United Nations summit for the adoption of the post-2015 development agenda
Revised estimates resulting from the decisions contained in General Assembly resolution 67/290, entitled "Format and organizational aspects of the high-level political forum on sustainable development"	754.6	67/290	Format and organizational aspects of the high-level political forum on sustainable development
Programme budget implications: administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2013	195.7	67/257	United Nations common system: report of the International Civil Service Commission

Potential charges	*Approved charges*	*General Assembly resolution*	*Title of resolution*
Report of the Secretary-General: strengthening the Office of the Special Adviser on Africa	4 471.4	66/293; 69/244	A monitoring mechanism to review commitments made towards Africa's development; Organization of the United Nations summit for the adoption of the post-2015 development agenda
Programme budget implications: developments in the field of information and telecommunications in the context of international security	1 439.4	68/243	Developments in the field of information and telecommunications in the context of international security
Programme budget implications: Human Rights Committee	1 501.1	68/240	Human Rights Committee
Programme budget implications: United Nations Human Rights Training and Documentation Centre for South-West Asia and the Arab Region	2 166.6	68/241	United Nations Human Rights Training and Documentation Centre for South-West Asia and the Arab Region
Programme budget implications: implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)	2 073.7	68/239	Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)
Revised estimates resulting from resolutions and decisions adopted by the Human Rights Council at its twenty-second, twenty-third and twenty-fourth sessions (A/68/634)	4 741.9	65/281	Review of the Human Rights Council
Programme budget implications: follow-up to and implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (A/C.5/68/19)	762.6	68/238	Follow-up to and implementation of the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States
Revised estimates, under section 22, Economic and social development in Western Asia, and section 33, Construction, alteration, improvement and major maintenance, of the programme budget for the biennium 2014-2015 (resolution 68/247 B)	5 722.4	59/276	Section XI: Strengthened and unified security management system for the United Nations
Total charges approved against the contingency fund	**40 196.1**		
Available balance (as at 29 December 2014, see also resolution 69/262, sect. XIII)	**248.9**		